

VIRGINIA: IN THE CIRCUIT COURT FOR THE CITY OF VIRGINIA BEACH

RICHARD SNEAD, CPA,

Plaintiff

CL 14-508

v.

JAMES C. JUSTICE COMPANIES, INC.
ALABAMA CARBON, LLC
JAMES C. JUSTICE, II
CATHY L. JUSTICE, II
JAMES C. JUSTICE, III
JILLEAN L. JUSTICE,

Defendants.

FILED
VIRGINIA BEACH CIRCUIT COURT
FEB -6 AM 10:58
JARA E. GUNZEN, CLERK

BY  DE

COMPLAINT

NOW COMES your Plaintiff, by counsel, and for his Complaint says as follows:

1. That the Plaintiff, a Certified Public Accountant, was engaged in September 2012 to provide accounting services for all of the Defendants by virtue of a Professional Services Agreement dated September 9, 2012, a copy of which Agreement is appended hereto as "Exhibit A".

2. That all of the afore-named Defendants were represented by Brian Rice, CPA and Tax Director for the James C. Justice Companies, Inc., who was authorized to engage the services of the Plaintiff on behalf of the named Defendants.

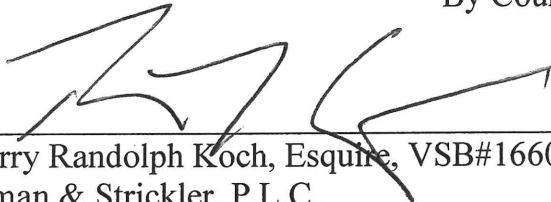
3. That accounting services were provided in a timely manner for the Defendants.

4. That despite repeated demand, payment for the services rendered has not been made. The invoices reflecting the amounts due and owing for the work performed are appended hereto as collective "Exhibit B".

5. That in accordance with the agreement, reasonable attorney's fees are requested.

WHEREFORE, for the reasons set forth herein, your Plaintiff prays for judgment against the Defendants, jointly and severally, in the sum of \$95,290.00, with interest accruing at Two Percent (2%) per month as provided by the contract, reasonable attorney's fees and all costs incurred herein.

RICHARD SNEAD, CPA
By Counsel

A handwritten signature in black ink, appearing to read 'B. Koch', is written over a horizontal line.

Barry Randolph Koch, Esquire, VSB#16609
Inman & Strickler, P.L.C.
575 Lynnhaven Parkway, Suite 200
Virginia Beach, Virginia 23452
(757) 486-7055
(757) 431-0410 Facsimile

Exhibit

A

Date: September 9, 2012


Professional Services Agreement

This document (the "Agreement") constitutes the agreement between James C. Justice Companies, Inc. and Subsidiaries, the Justice Family and related companies, whose headquarters is located at 302 South Jefferson Street, Roanoke, Virginia, 24011 (the "Client"), and Richard Snead, CPA, a Virginia Certified Public Accountant whose practice is located at 8121 Solitude Lane, Mechanicsville, Virginia, 23111 (the "Advisor"), pursuant to which the Advisor shall prepare tax returns and provide to the Client certain business advisory services as described in Section 1 below (the "Services").

1. Services

The Advisor shall provide to the Client the following Services during the term of the Agreement in accordance with the following terms and conditions:

- **Tax Return Preparation.** The following tax returns for tax year 2011 will be prepared by Advisor for Client:
 - James C. Justice Companies, Inc and Subsidiaries
 - Form 1120S U.S. Income Tax Return for an S Corporation
 - Form 502 Virginia Pass-Through Entity Return of Income
 - Form 720S Kentucky S Corporation Income Tax Return
 - Form CD-401S North Carolina S Corporation Franchise & Income Tax Return
 - Form SC1120S South Carolina S Corporation Income Tax Return
 - Form WV/SPF-100 West Virginia Income / Business Franchise Tax Return for S Corporation
 - Alabama Carbon, LLC
 - Form 1065 U.S. Return of Partnership Income
 - Form 65 Alabama Partnership / Limited Liability Company Return of Income
 - Form WV/SPF-100 West Virginia Income / Business Franchise Tax Return for Partnership
 - James C. and Cathy L. Justice, II
 - Form 1040X Amended Federal Individual Income Tax Return
 - Form 1040 Federal Individual Income Tax Return
 - Form IT-140 West Virginia Resident Income Tax Return
 - Form 40NR Alabama Individual Income Tax Return (Non Resident)
 - Form 740-NP Kentucky Nonresident Income Tax Return
 - Form D-400 North Carolina Individual Income Tax Return
 - Form SC 1040 South Carolina Individual Income Tax Return
 - Form 763 Virginia Nonresident Income Tax Return

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BY 

- James C. Justice, III:
 - Form 1040X Amended Federal Individual Income Tax Return
 - Form 1040 Federal Individual Income Tax Return
 - Form IT-140 West Virginia Nonresident Income Tax Return
 - Form 40NR Alabama Individual Income Tax Return (Non Resident)
 - Form 740-NP Kentucky Nonresident Income Tax Return
 - Form D-400 North Carolina Individual Income Tax Return
 - Form SC 1040 South Carolina Individual Income Tax Return
 - Form 760 Virginia Resident Income Tax Return
- Jillean L. Justice:
 - Form 1040X Amended Federal Individual Income Tax Return
 - Form 1040 Federal Individual Income Tax Return
 - Form IT-140 West Virginia Nonresident Income Tax Return
 - Form 40NR Alabama Individual Income Tax Return (Non Resident)
 - Form 740-NP Kentucky Nonresident Income Tax Return
 - Form D-400 North Carolina Individual Income Tax Return
 - Form SC 1040 South Carolina Individual Income Tax Return
 - Form 760 Virginia Resident Income Tax Return

- **Tax Consulting.** Advisor will provide Client tax consulting services as requested by Client.

2. **Fees and Expenses**

In exchange for the Services, the Client shall pay the Advisor the fees and shall reimburse Advisor for the expenses, as described in this Section 2.

- A. **Fee Schedule.** The Client shall pay the Advisor based on the schedule below.

Tax Returns / Projects	Fee / Rate
James C. Justice Companies, Inc	\$35,000
Alabama Carbon, LLC	\$5,000
The Justice Family	\$25,000
Consulting Projects	\$100 per Hour

B. **Expenses.** In addition to any fees payable to the Advisor hereunder, the Client shall reimburse the Advisor for all reasonable project and travel expenses incurred by it and its managers, directors, officers, employees and representatives in connection with the provision of the Services.

Reimbursable project and travel expenses shall include, but shall not be limited to, airfare, mileage in personal vehicles at the prevailing IRS rate per mile, professional transportation, rental car fees and fuel charges, lodging charges, meals, phone, shipping, copying and similar expenses. The Advisor shall provide the Client with receipts to verify such expenses, which shall be paid by the Client to Advisor as submitted, on a monthly basis, during the term of the Agreement.

C. **Interest.** Advisor invoices to Client are due upon receipt. Advisor grants Client a 30 day grace period without interest to pay invoices. Invoices are considered past due and begin accruing interest after 30 days from the invoice date. Interest is calculated at a rate of 2% per month.

3. **Confidentiality.**

The Advisor shall keep confidential all material nonpublic information of the Client disclosed to it by the Client, and the Client shall keep confidential all written or oral advice or reports provided to it by the Advisor, except (i) as otherwise required by law, (ii) as reasonably necessary for the performance of the Services, or (iii) as otherwise contemplated by the terms of this Agreement.

4. **Reliance Upon and Accuracy of Information.**

In connection with the Services provided by the Advisor, (i) the Client shall furnish the Advisor with such information, and shall make available Client's managers, officers, directors and employees to Advisor, as the Advisor shall reasonably request, and (ii) the Client acknowledges and agrees that the Advisor may rely upon information provided by the Client and the Client's affiliates, equity holders, managers, directors, officers, accountants, counsel and other agents and advisors without independent verification of the accuracy and completeness thereof. The Client shall promptly notify the Advisor if any information provided to it becomes inaccurate, incomplete or misleading in any material respect.

5. **Exculpation.**

Neither the Advisor nor any of its affiliates, equity holders, managers, directors, officers, employees or agents, shall have any liability to the Client or its affiliates, equity holders, managers, directors, officers, representatives, agents, advisors or creditors, or any person asserting claims on behalf of or in the right of the Client (whether direct or indirect, in contract, tort, for an act of negligence or otherwise) for any losses, fees, damages, liabilities, costs, expenses or equitable relief arising out of or relating to this Agreement or the Services to be rendered hereunder, except to the extent that it is finally determined (by a court of competent jurisdiction and after exhausting all appeals or in an arbitration conducted in accordance with this Agreement) that such losses, fees, damages, liabilities, costs, expenses or equitable relief resulted from the gross negligence or willful misconduct of such person or entity.

6. **Indemnification.**

The Client shall indemnify and hold harmless the Advisor and each of its affiliates, equity holders, managers, directors, officers, employees, agents, counsel and other advisors, and each other person or entity who controls any of them (hereinafter collectively referred to as an "**Indemnified Party**"), to the full extent permitted by law or equity, from and against any and all judgments, losses, claims (whether or not valid), damages, costs, fees, expenses or liabilities, joint or several, to which an Indemnified Party may become subject, related to or arising out of

(i) the engagement of Advisor, the transactions contemplated by this Agreement, or the Services rendered by Advisor under this Agreement,

(ii) any untrue statement or any alleged untrue statement of material fact contained in any document or information disclosed or provided by the Client to the Advisor in connection with the Services (collectively, the "**Client Materials**"),

(iii) any omission or alleged omission to state in any of the Client Materials a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, or

(iv) any actual or threatened claim, litigation, investigation, proceeding or action in any court or before any regulatory, administrative or other body relating to any of the foregoing (hereinafter referred to collectively as a "Claim"), and shall, upon request, reimburse an Indemnified Party for all reasonable legal and other costs, fees and expenses as they are incurred in connection with investigating, preparing or defending a Claim; provided, however, that no such indemnification shall be required to be paid to an Indemnified Party with respect to a Claim that is finally determined by a court of competent jurisdiction (after exhaustion of all appeals) to have resulted solely from the gross negligence or willful misconduct of such Indemnified Party. All amounts due to an Indemnified Party hereunder shall be payable by the Client promptly upon request by such Indemnified Party. In addition, the Client shall pay all out-of-pocket costs and expenses, including reasonable attorneys' fees, incurred by any Indemnified Party to enforce the terms of this **Section 5**.

7. Termination

The engagement of the Advisor hereunder shall be for a period of one (1) year and may be terminated by the mutual agreement of the parties or by either party at any time, with or without cause, upon 10 days' prior written notice to the other. Notwithstanding any such termination, the provisions of **Sections 2, 3, 4, 5, 6, and 8** shall survive the termination of this Agreement and shall be binding on the parties hereto and their permitted successors and assigns. In the event that the Advisor, despite the exercise of commercially reasonable, good faith efforts, has not completed the Services at the expiration of the initial term of this Agreement, then this Agreement will automatically renew for an additional year to allow Advisor to complete the Services, unless otherwise agreed to by both parties in writing prior to the expiration of the initial term.

8. Miscellaneous

This Agreement constitutes the entire agreement of the parties hereto with respect to the subject matter hereof and supersedes all prior agreements. This Agreement shall be governed by the internal laws and judicial decisions of the Commonwealth of Virginia, without reference to conflicts of laws principles. If any provision of this Agreement is determined to be invalid or unenforceable in any respect, such determination shall not affect such provision in any other respect, and the remainder of the Agreement shall remain in full force and effect.

This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Agreement shall be binding upon the successors and assigns of the parties hereto. Except as provided above, this Agreement shall not be assignable (including by operation of law pursuant to a conversion, merger or other similar transaction) without each other party's prior written consent. This Agreement shall not be modified or amended except in a writing signed by each of the parties hereto. All notices or requests provided for or permitted to be given pursuant to this Agreement shall be in writing and shall be deemed given if hand delivered or three days after having been deposited in the United States mail, addressed to the party to be notified at such party's address reflected on the signature pages hereto, postage paid and registered or certified, return receipt requested. Time is of the essence with respect to all matters under this Agreement.

In acknowledgment that the foregoing correctly sets forth the understanding reached by the Advisor and the Client, and that the undersigned represent they each have the authority to sign such Agreement on behalf of their respective companies, whereupon this letter shall constitute a binding Agreement as of the date indicated above.

Accepted and Agreed:

Richard Snead, CPA

Richard Snead 9/9/12

Mr. Richard Snead, CPA
8121 Solitude Lane
Mechanicsville, Virginia 23111

**James C. Justice Companies, Inc
Justice Family and
related companies**

Brian D. Rice

Mr. Brian Rice, CPA
Tax Director
302 South Jefferson Street
Roanoke, Virginia 24011

Exhibit

B

Richard Snead, CPA

Certified Public Accountant

2421 Tanning Reeve Way
Virginia Beach, VA 23453

January 6, 2014

James C. Justice Companies, Inc. and Subsidiaries
Brian Rice, CPA
302 South Jefferson Street
Roanoke, VA 24011

Professional services rendered through March 21, 2013 on the following projects:

- Consulting on corporate restructuring plan for JCJC to acquire Twin Fir - \$450
- Refund tracking and tax notice consulting related to the 2011 Justice Family refunds - \$1,500
- Discussions and provided data for the 2011 IRS Audit - \$375
- Discussions, consulting and research for the Virginia Coal credits - \$1,425
- Research and Amend the 2011 Kentucky LLET and prepare a pro-forma federal return - \$1,500
- Interest at 2% per month overdue – Original Invoice Dated 3/21/13 – 8 months overdue

Total Due: \$6,090

Thank you for the opportunity to serve your tax needs. Please contact me if you have any questions or need further assistance.

Sincerely,

Richard Snead

Contact Information:

Cell Phone: 804-363-5890 Email: r_snead@msn.com

FILED
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D.C.

Richard Snead, CPA

Certified Public Accountant

2421 Tanning Reeve Way
Virginia Beach, VA 23453

January 6, 2014

Alabama Carbon, LLC
Brian Rice, CPA
302 South Jefferson Street
Roanoke, VA 24011

Professional services rendered in the preparation of the following 2011 federal and state tax returns:

- Form 1065 U.S. Return of Partnership Income
- Form 65 Alabama Partnership / Limited Liability Company Return of Income
- Form WV/SPF-100 West Virginia Income / Business Franchise Tax Return for Partnership
- Interest at 2% per month overdue – Original Invoice Dated 10/26/12 – 13 months overdue

Total Due: \$6,300 Agreed Upon Fee with no expenses.

Thank you for the opportunity to serve your tax needs. Please contact me if you have any questions or need further assistance.

Sincerely,

Richard Snead

Contact Information:

Cell Phone: 804-363-5890 Email: r_snead@msn.com

Richard Snead, CPA

Certified Public Accountant

2421 Tanning Reeve Way
Virginia Beach, VA 23453

January 6, 2014

James C. Justice Companies, Inc. and Subsidiaries

Brian Rice, CPA

302 South Jefferson Street
Roanoke, VA 24011

Professional services rendered in the preparation of the following 2011 amended federal and state tax returns:

- Form 1120S U.S. Income Tax Return for an S Corporation
- Form 502 Virginia Pass-Through Entity Return of Income
- Form 720S Kentucky S Corporation Income Tax Return
- Form CD-401S North Carolina S Corporation Franchise & Income Tax Return
- Form SC1120S South Carolina S Corporation Income Tax Return
- Form WV/SPF-100 West Virginia Income / Business Franchise Tax Return for S Corporation
- Interest at 2% per month overdue – Original Invoice Dated 10/26/12 – 13 months overdue

The tax returns were amended for information received after the filing due date.

Total Due: \$6,300 Agreed Upon Fee with no expenses.

Thank you for the opportunity to serve your tax needs. Please contact me if you have any questions or need further assistance.

Sincerely,

Richard Snead

Contact Information:

Cell Phone: 804-363-5890 Email: r_snead@msn.com

Richard Snead, CPA

Certified Public Accountant

2421 Tanning Reeve Way
Virginia Beach, VA 23453

January 6, 2014

The Justice Family

Brian Rice, CPA

302 South Jefferson Street
Roanoke, VA 24011

Professional services rendered in the preparation of the following 2011 federal and state tax returns:

James C. and Cathy L. Justice, II:

- Form 1040X Amended Federal Individual Income Tax Return
- Form 1040 Federal Individual Income Tax Return
- Form IT-140 West Virginia Resident Income Tax Return
- Form 40NR Alabama Individual Income Tax Return (Non Resident)
- Form 740-NP Kentucky Nonresident Income Tax Return
- Form D-400 North Carolina Individual Income Tax Return
- Form SC 1040 South Carolina Individual Income Tax Return
- Form 763 Virginia Nonresident Income Tax Return

James C. Justice, III:

- Form 1040X Amended Federal Individual Income Tax Return
- Form 1040 Federal Individual Income Tax Return
- Form IT-140 West Virginia Nonresident Income Tax Return
- Form 40NR Alabama Individual Income Tax Return (Non Resident)
- Form 740-NP Kentucky Nonresident Income Tax Return
- Form D-400 North Carolina Individual Income Tax Return
- Form SC 1040 South Carolina Individual Income Tax Return
- Form 760 Virginia Resident Income Tax Return

Jillean L. Justice:

- Form 1040X Amended Federal Individual Income Tax Return
- Form 1040 Federal Individual Income Tax Return
- Form IT-140 West Virginia Nonresident Income Tax Return
- Form 40NR Alabama Individual Income Tax Return (Non Resident)
- Form 740-NP Kentucky Nonresident Income Tax Return
- Form D-400 North Carolina Individual Income Tax Return
- Form SC 1040 South Carolina Individual Income Tax Return
- Form 760 Virginia Resident Income Tax Return

Interest at 2% per month overdue – Original Invoice Dated 10/26/12 – 13 months overdue

Total Due: \$31,500 Agreed Upon Fee with no expenses.

Thank you for the opportunity to serve your tax needs. Please contact me if you have any questions or need further assistance.

Sincerely,

Richard Snead

Contact Information:

Cell Phone: 804-363-5890 Email: r_snead@msn.com

Richard Snead, CPA

Certified Public Accountant

2421 Tanning Reeve Way
Virginia Beach, VA 23453

January 6, 2014

James C. Justice Companies, Inc. and Subsidiaries

Brian Rice, CPA

302 South Jefferson Street
Roanoke, VA 24011

Professional services rendered in the preparation of the following 2011 federal and state tax returns:

- Form 1120S U.S. Income Tax Return for an S Corporation
- Form 502 Virginia Pass-Through Entity Return of Income
- Form 720S Kentucky S Corporation Income Tax Return
- Form CD-401S North Carolina S Corporation Franchise & Income Tax Return
- Form SC1120S South Carolina S Corporation Income Tax Return
- Form WV/SPF-100 West Virginia Income / Business Franchise Tax Return for S Corporation
- Interest at 2% per month overdue – Original Invoice Dated 10/26/12 – 13 months overdue

Total Due: \$45,100 Agreed Upon Fee plus legal fees.

Thank you for the opportunity to serve your tax needs. Please contact me if you have any questions or need further assistance.

Sincerely,

Richard Snead

Contact Information:

Cell Phone: 804-363-5890 Email: r_snead@msn.com

VIRGINIA: IN THE CIRCUIT COURT FOR THE CITY OF VIRGINIA BEACH

RICHARD SNEAD, CPA,

Plaintiff,

v.

Case No. CL14-0508

JAMES C. JUSTICE COMPANIES, INC.
ALABAMA CARBON, LLC
JAMES C. JUSTICE, II
CATHY L. JUSTICE, II
JAMES C. JUSTICE, III
JILLEAN L. JUSTICE,

Defendant


DISMISSAL ORDER

THIS CAUSE came upon the joint motion of the parties and IT APPEARING TO THE COURT that the parties have reached a settlement in this matter, and the relief sought is proper, it is, therefore

ADJUDGED, ORDERED, and DECREED that this matter is hereby DISMISSED and removed from this Court's trial docket.

IT IS SO ORDERED.

ENTER: 3/24/15

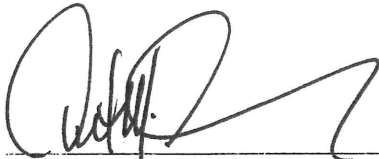

Circuit Court Judge

We ask for this:



Barry Randolph Koch, Esquire p.q.

VS# 16609
INMAN & STRICKLER, P.L.C.
575 Lynnhaven Parkway, Ste. 200
Virginia Beach, Virginia 23452
(757) 486-7055
(757) 431-0410 Facsimile



p.d.

Dustin M. Deane, Esquire
Associate General Counsel
James C. Justice Companies, Inc. and Affiliates
302 S. Jefferson Street
Roanoke, VA 24011
(540) 776-7890
(540) 301-5919 Facsimile